



UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF SPECIAL EDUCATION AND REHABILITATIVE SERVICES

SEP 22 2005

RECEIVED
OCT - 3 2005
ITEIP

Sandy Loerch Morris, Part C Coordinator
Infant Toddler Early Intervention Program
Department of Social and Health Services
640 Woodland Square Loop SE
PO Box 45201
Olympia, WA 98504-5201

Dear Ms. Loerch Morris:

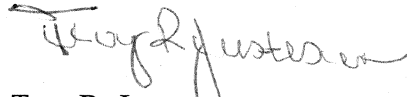
This letter is in response to your email to Jacquelyn Twining-Martin of my staff, dated July 29, 2005. In your email, you made two requests of the Department. First, you requested that the Department of Education (Department) and the Department of Defense (DOD) update and reissue the TRICARE manual developed through the Federal Interagency Coordinating Council (FICC) and jointly issued by the Department and DOD to ensure that military families with children needing early intervention services under Part C of the Individuals with Disabilities Education Act (IDEA) have access to a critical resource on this issue. You also requested that the Department revise its Impact Aid regulations under Title VIII of the Elementary and Secondary Education Act (ESEA) to allow Part C lead agencies access to Impact Aid resources. Your first request was prompted due to the fact that authority for the FICC was eliminated effective July 1, 2004 with the IDEA Part C Amendments of 2004.

Regarding your first request, the Department is interested in updating with DOD its joint guidance on TRICARE and Part C. As you know, IDEA was amended in 2004, yet final Part C regulations have yet to be promulgated. In addition, DOD has implemented changes to its TRICARE regulations. Although it is premature to update the TRICARE/Part C document, the Department intends to work collaboratively with DOD (as it has in the past) to review with DOD and, if appropriate, update the TRICARE guidance document once Part C regulations are finalized.

Regarding your second request, the Impact Aid Program is intended to support local educational agencies (LEAs) that are burdened by the presence of Federal activities in their school districts. In order for an entity to receive Impact Aid assistance, it must be an LEA under the ESEA and also meet all other statutory and regulatory eligibility requirements. Since this is a statutory requirement, it is not possible to amend our regulations to make non-LEA Part C lead agencies eligible for Impact Aid. As indicated in the Department's February 1999 memorandum (enclosed), Impact Aid assistance is already available for LEAs that directly serve certain federally connected infants and toddlers with disabilities or provide services to these children through contracts or arrangements with other agencies.

Thank you for expressing your concerns regarding this important issue and for your State's continued efforts to provide early intervention services to infants and toddlers with disabilities and their families. Please feel free to contact Cathy Schang of the Impact Aid Program at (202) 260-3858 regarding Impact Aid eligibility and Jacquelyn Twining-Martin at 202-245-7558 regarding Part C questions.

Sincerely



Troy R. Justesen
Acting Director
Office of Special Education
Programs

Enclosure

cc: Jacquelyn Twining-Martin
Cathy Schang

RECEIVED
8 - 2005
ITEIP

the mission of the Impact Aid Program is to disburse Impact Aid payments to local educational agencies that are financially burdened by federal activities and to provide technical assistance and support services to grantees, staff, and other interested parties.



For More Information

Impact Aid Program
Office of Elementary and Secondary Education
U.S. Department of Education
Washington, DC 20202-6244

202-260-3858

Fax 202-205-0088

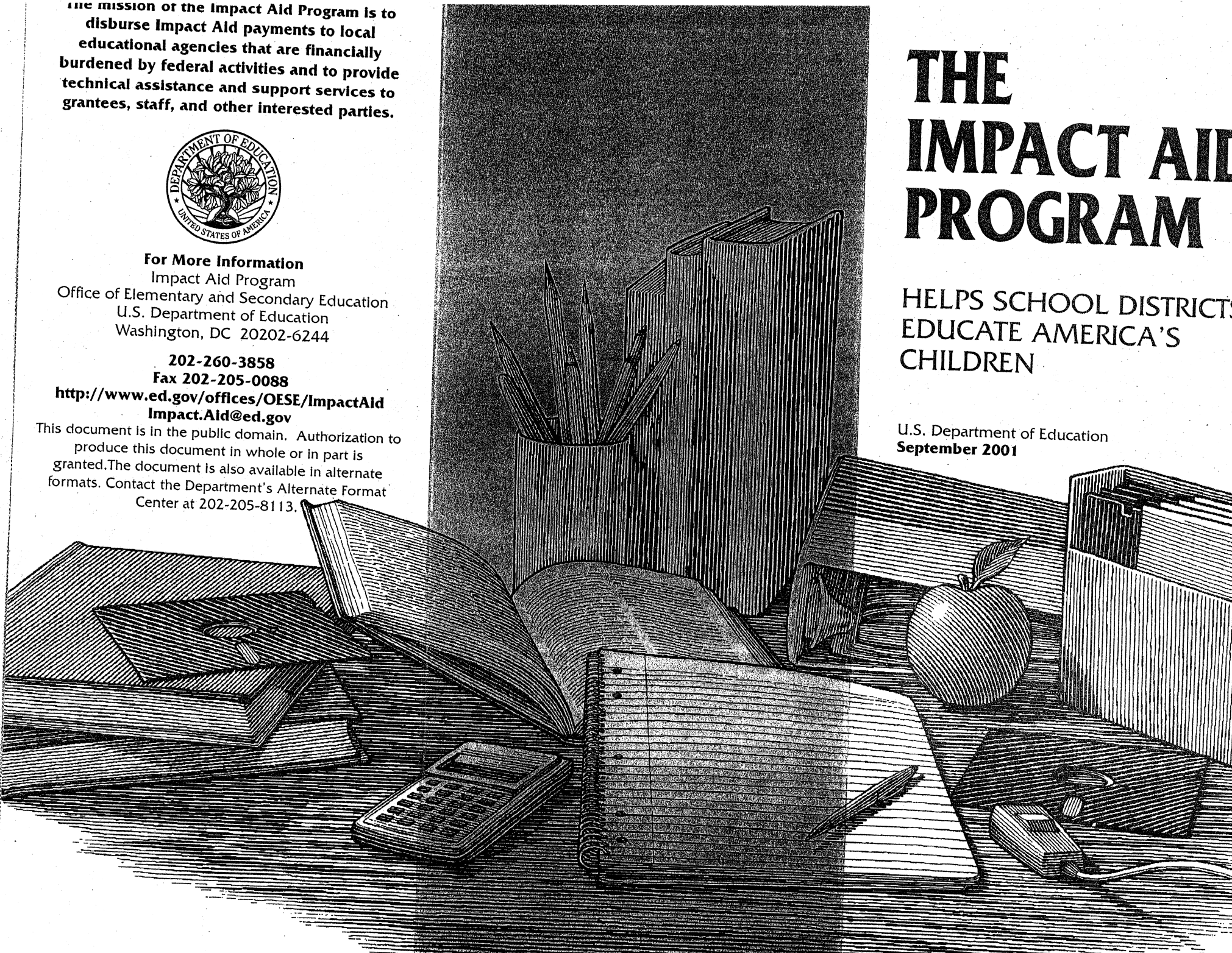
**<http://www.ed.gov/offices/OESE/ImpactAid>
Impact.Aid@ed.gov**

This document is in the public domain. Authorization to produce this document in whole or in part is granted. The document is also available in alternate formats. Contact the Department's Alternate Format Center at 202-205-8113.

THE IMPACT AID PROGRAM

HELPS SCHOOL DISTRICTS
EDUCATE AMERICA'S
CHILDREN

U.S. Department of Education
September 2001



What is Impact Aid?

Impact Aid is a federal formula grant program designed to assist local school districts that have been affected by the presence of federal activities. These school districts have lost part of their local property tax base because of federal activities that cause real property to be exempt from taxation or are burdened by the presence of significant numbers of federally connected children.

Impact Aid has been around since 1950 and is now authorized as Title VIII of the Elementary and Secondary Education Act. Recent annual appropriations for Impact Aid have been approximately \$1 billion.

Payments for Federal Property (section 8002) assist local school districts that have lost a portion of their local tax base because of *federal ownership of property*. To be eligible, a school district must demonstrate that the federal government has acquired, since 1938, real property with an assessed valuation of at least 10 percent of all real property in the district at the time of acquisition.

Basic Support Payments (section 8003(b)) help local school districts that educate *federally connected children*. These may be the children of members of the uniformed services, children who live on Indian lands, children who live on federal property or in federally subsidized low-rent housing, and children whose parents work on federal property. In general, to be eligible for assistance a local school district must educate at least 400 such children in average daily attendance, or the federally connected children must make up at least 3 percent of the school district's total average daily attendance. **Heavily Impacted Districts** that enroll certain percentages of federally connected children and meet other specific statutory criteria receive increased formula payments under section 8003(b)(2).

Payments for Children with Disabilities (section 8003(d)) provide additional assistance to school districts that educate federally connected children who are eligible for services under the Individuals

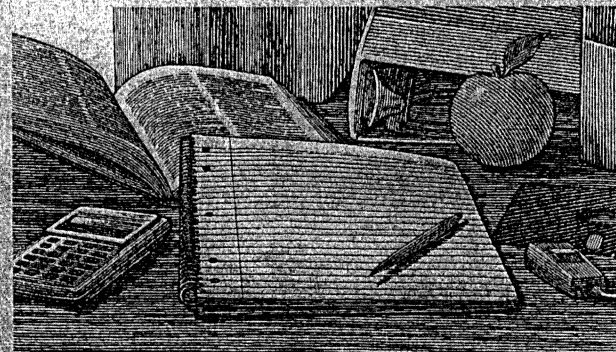
with Disabilities Education Act (IDEA). These payments are in addition to Basic Support Payments and IDEA funds provided on behalf of these children. A school district that receives these funds must use them for the increased costs of educating federally connected children with disabilities.

Construction Grants (section 8007) go to local school districts that educate high percentages of certain federally connected children—both children living on Indian lands and children of members of the uniformed services. These grants help pay for the construction and repair of school buildings.

How do school districts use Impact Aid?

School districts use Impact Aid for a wide variety of expenses, including the *salaries of teachers* and other staff, *textbooks, computers, and other equipment, after-school programs and remedial tutoring, advanced placement classes, and special enrichment programs*.

Most Impact Aid funds are considered *general aid* to the recipient school districts and may be used in whatever manner they choose, in accordance with state and local requirements. Although most school districts use Impact Aid for current expenditures, they may also use the funds for capital expenditures.



How does a school district apply

To apply for Impact Aid, school districts must submit an application annually. Applications are available from the Impact Aid Program in early November and are due by Jan. 31.

A school district must provide in its application specific information about the local federal property, the number of children enrolled there associated with the federal property, and the membership and average daily attendance in schools.

State departments of education must also provide data for the application.

Are there any other requirements?

A school district that educates children living on Indian lands must have a written plan to ensure that parents who are members of the Indian community and Indian tribes can participate in planning and evaluating the education of their children. The school districts must submit a copy of their Indian Policies and Procedures to the Impact Aid Program when they apply for funding each year.

The Impact Aid Program can provide more detailed information about the Indian Policies and Procedures requirement.

Impact Aid provides important revenue to approximately 1,600 school districts across the country. These districts depend on Impact Aid to provide a quality education that enables their students to reach high standards.

The Impact Aid Program recognizes our special responsibility to the federally connected children attending schools in these districts, including Indian children and military dependents—who belong to all of America.



UNITED STATES DEPARTMENT OF EDUCATION

WASHINGTON, D.C. 20202- _____

FEB - 2 1999

MEMORANDUM

TO : Part C Lead Agency Directors
State Representatives for Impact Aid

FROM : Thomas Hehir, Director *TH*
Office of Special Education Programs

Catherine Schagh, Director *Catherine Schagh*
Impact Aid Program

SUBJECT : Federal Impact Aid and IDEA Part C

The Federal Interagency Coordinating Council (for services to children with disabilities ages birth through 5) established a task force to facilitate better coordination between the Department of Defense and Department of Education programs and funding sources. As a result of the work of this task force, the Department of Education has confirmed that Federal Impact Aid may be available for local educational agencies (LEAs) serving certain infants and toddlers with disabilities. The children claimed must be eligible under Part C of the Individuals with Disabilities Education Act (IDEA) and must be dependents of members of the uniformed services or live on Indian lands. An eligible LEA that provides services to these children, either directly or through an arrangement with another agency, may include them on its annual application for Impact Aid.

Impact Aid is authorized under Title VIII of the Elementary and Secondary Education Act. The fiscal year (FY) 1999 appropriation for Impact Aid includes \$704 million for Basic Support Payments to LEAs that educate federally connected children and \$50 million for supplemental Payments for Children with Disabilities.

Although the amount of Basic Support Payments provided under Impact Aid varies a great deal depending on the characteristics of the LEA, the supplemental Payments for Children with Disabilities provide an annual average amount that has approached \$1,000 per child in recent years. Impact Aid is provided to LEAs that claim federally connected children and these funds become part of an LEA's general operating fund.

Page 2 - Impact Aid

However, LEAs must use the supplemental Payments for Children with Disabilities for the reasonable costs of providing a free appropriate public education (FAPE) to the eligible federally connected children with disabilities.

Infants and toddlers served under Part C may only be counted for Impact Aid if services are provided by the LEA at no cost to families. Therefore, States with mandates to provide FAPE to serve children with disabilities from birth (birth mandate states) and other states with no fee schedule for services are especially encouraged to explore this potential funding source.

We recommend that you advise the LEAs in your State of this important source of funding that may be available for early intervention services to Part C infants and toddlers who are eligible to be counted for Impact Aid. I suggest you contact the LEAs in your State in communities with significant military and Indian populations that are participating in the Impact Aid Program. Ask these LEAs to include on their section 8003 applications, if they are eligible to do so, all federally connected Part C eligible infants and toddlers who are dependents of members of the uniformed services or who live on Indian land. An LEA may claim infants and toddlers who have individualized education programs (IEPs) or individualized family service plans (IFSPs) and for whom the LEA is providing services. An LEA may claim infants and toddlers on its application only if it is responsible for providing FAPE or for providing special education and related services as a part of early intervention for those children.

The deadline for section 8003 Impact Aid applications that include school year 1998-99 data is March 1, 1999. Funds appropriated for FY 2000 will be distributed to LEAs next year based on child count data included in this application. Therefore, we urge you to move quickly to explore this potential funding source.

Attached is a brochure on the Impact Aid Program. If you have questions or need technical assistance in exploring how to access these funds, please contact Bobbi Stettner-Eaton at 202/205-8828 (phone), 202/205-9179 (fax), or bobbi_stettner-eaton@ed.gov (e-mail) in the Office of Special Education Programs; or Marilyn Hall at 202/205-8724 (phone), 202/205-0088 (fax), or marilyn_hall@ed.gov (e-mail) with the Impact Aid Program.

Attachment: Brochure on Impact Aid

cc: Part C Coordinators
State Directors of Special Education
Parent Training and Information Centers